

General Government



General Government

<u>Original Appropriations</u>	<u>FY 1998</u>	<u>FY 2008</u>	<u>Annual % Chg</u>	<u>Total % Chg</u>
<u>By Department or Division</u>				
Administration, Dept.	\$46.2	\$197.2	15.6%	326.6%
Administration, Dept.	22.7	58.7	10.0%	159.0%
Building Fund Adv. Council	21.2	138.0	20.6%	550.0%
Capitol Commission	---	.5	---	---
Personnel Commission	2.3	---	---	(100.0%)
Attorney General	11.5	18.6	5.0%	62.5%
Controller, State	12.5	13.5	0.8%	8.0%
Governor, Executive Office of	60.0	133.6	8.3%	122.7%
Aging, Commission on	9.2	13.3	3.8%	44.6%
Arts, Commission on the	---	1.7	---	---
Blind and Visually Impaired	3.2	4.1	2.5%	28.0%
Drug Policy, Office of	---	.4	---	---
Financial Management, Div.	3.1	1.8	(5.7%)	(44.2%)
Governor's Office	1.4	2.3	4.6%	57.1%
Human Resources, Div.	---	3.0	---	---
Human Rights Commission	.6	.9	4.0%	48.3%
Insurance Fund, State	11.7	---	---	(100.0%)
Investment Board	.5	---	---	(100.0%)
Liquor Dispensary	8.1	16.6	7.4%	105.0%
Military Division	16.2	74.8	16.5%	360.4%
Public Empl. Retire. Sys.	5.8	6.6	1.4%	14.6%
Species Conservation	---	8.0	---	---
Women's Commission	.0	.0	(1.5%)	(14.2%)
Legislative Branch	8.8	14.0	4.7%	58.9%
Lieutenant Governor	.1	.2	5.0%	63.3%
Revenue & Taxation, Dept.	21.5	34.5	4.8%	60.1%
Tax Appeals, Board of	.1	.4	11.6%	199.5%
Tax Commission, State	21.4	34.0	4.8%	59.1%
Secretary of State	3.3	2.5	(3.0%)	(26.0%)
Arts, Commission on the	1.4	---	---	(100.0%)
Secretary of State	1.9	2.5	2.6%	29.3%
Treasurer, State	1.3	2.7	7.5%	106.1%
Treasurer, State	1.3	2.4	6.2%	82.6%
Idaho Millennium Fund	---	.3	---	---
Total	\$165.2	\$416.6	9.7%	152.2%

General Government

<u>Original Appropriations</u>	<u>FY 1998</u>	<u>FY 2008</u>	<u>Annual % Chg</u>	<u>Total % Chg</u>
<u>By Fund Source</u>				
General	\$49.9	\$104.8	7.7%	110.0%
Dedicated	93.7	234.2	9.6%	149.8%
Federal	21.6	77.6	13.7%	259.9%
Total	\$165.2	\$416.6	9.7%	152.2%

- ◆ The Capitol Commission was formed in 1998 to preserve the State Capitol building.
- ◆ The functions of the Personnel Commission were transferred to the Office of the Governor in FY 2000 and reorganized as the Division of Human Resources.
- ◆ In 2003 the Legislature moved the Commission on the Arts out from under the Secretary of State and placed it within the Office of the Governor.
- ◆ In 1998, the Legislature changed the State Insurance Fund from a state agency to an "independent body corporate politic". As a result, its funding is no longer subject to review and appropriation by the Legislature.
- ◆ In 1998, the Legislature moved the Endowment Fund Investment Board out from under the Office of the Governor and placed it under the Land Board.
- ◆ The Office of Species Conservation was created by the Legislature in 2000 at the request of the Governor.
- ◆ The Idaho Millennium Fund was established by the Legislature in 2000 as the repository of all funds received by the State of Idaho under the tobacco Master Settlement Agreement. Beginning in FY 2004, only the non-governmental organization projects are shown in the appropriated amount. The government project appropriations are transferred to, and shown in, their respective agency budgets.

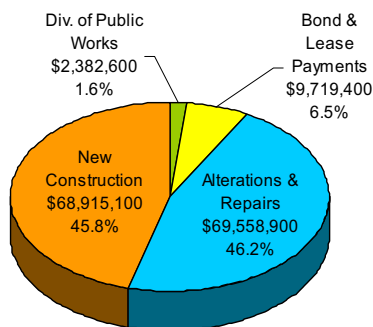
Permanent Building Fund or Capital Budget

Historical Sources of Revenue*

Revenues	FY 04	FY 05	FY 06	FY 07	FY 08 est.
Income Head Tax	\$5.7 M	\$5.5 M	\$5.7 M	\$6.2 M	\$6. M
Cigarette Tax	\$6.4 M	\$6.4 M	\$6.5 M	\$6.7 M	\$6.4 M
Beer Tax	\$1.4 M	\$1.4 M	\$1.4 M	\$1.5 M	\$1.6 M
Sales Tax	\$5. M	\$5. M	\$5. M	\$5. M	\$5. M
Lottery	\$10.3 M	\$12.5 M	\$13. M	\$16.5 M	\$17. M
Budget Res. Interest	\$. M	\$.4 M	\$3.2 M	\$4.9 M	\$6. M
PBF Interest Earnings	\$.8 M	\$1.4 M	\$1.4 M	\$3.8 M	\$3.2 M
<i>Subtotal</i>	\$29.5 M	\$32.5 M	\$36.2 M	\$44.6 M	\$45.2 M
General Fund transfer				\$120.2 M	
GRAND TOTAL	\$29.5 M	\$32.5 M	\$36.2 M	\$164.8 M	\$45.2 M

*The table does not reflect periodic reappropriations or other miscellaneous revenue, nor cigarette tax revenue earmarked for Capitol Restoration purposes.

FY 2008 Permanent Building Fund Appropriation \$150,576,000*



*FY 2008 appropriation includes bond payments, division of public works appropriation, alteration and repairs, and capital construction projects. A five-person Advisory Council directs the Permanent Building Fund. Its membership consists of two legislators (one each from the House and Senate), one banker, one contractor and one member of the business community.

Permanent Building Fund

For FY 2008 the Legislature allocated the available Permanent Building Fund money into roughly three areas: \$69.6 million for state-wide building maintenance (alteration and repair); \$9.7 million was approved as bond payments on building projects approved in the past; and \$68.9 million for the following new capital construction projects:

- ◆ \$12,019,500: Idaho State Police facility in Coeur d'Alene
- ◆ \$750,000: renovate the Armory in Idaho Falls
- ◆ \$770,000: addition to the Department of Fish & Game office in Pocatello
- ◆ \$1,000,000: new laundry facility at South Idaho Correctional Institution
- ◆ \$1,414,000: renovate utility/storage building at State Hospital South
- ◆ \$10,000,000: new University of Idaho Center for Livestock and Environmental Studies facility
- ◆ \$37,111,600: two new health sciences buildings: College of Southern Idaho (\$21.1M) and Lewis-Clark State College (\$16M)
- ◆ \$900,000: complete Department of Health & Welfare BSL-3 lab
- ◆ \$3,000,000: planning for Dept. of Correction secured mental health facility
- ◆ \$150,000: pre-engineered steel building at UI Hagerman Fish Culture Experiment Station
- ◆ \$1,300,000: complete the 300 bed pod at the Idaho Correctional Center
- ◆ \$500,000: planning for renovation of Borah building (H277)

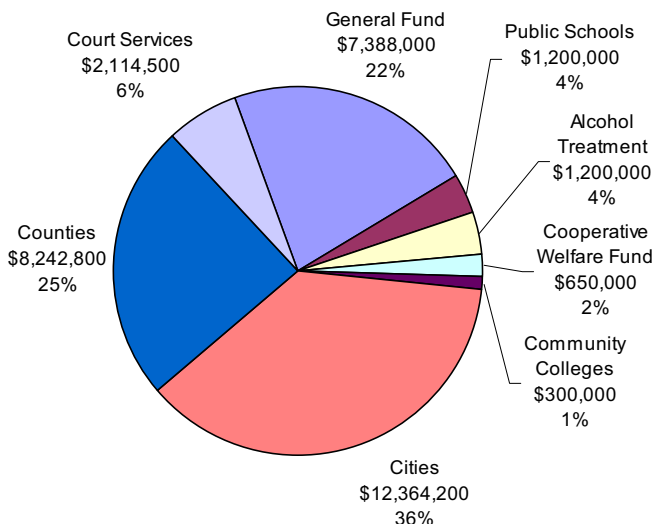
Capitol Restoration & Expansion

In the fall of 2006, \$130 million worth of bonds were sold (through the Idaho State Building Authority) to finance the Statehouse restoration/expansion. The debt service schedule on the bonds calls for seven years of annual payments of approximately \$20.1 million. Payments will be from the cigarette tax increase approved in 2005 (H386). The 8th and final year's payment is projected to be about \$12 million. Following the 2007 compromise between the Governor and the Legislature, the expansion portion of the project was scaled back from 100,000 square feet to 50,000 square feet. The total cost is apportioned as follows:

- ~ Wings Core and Shell with some tenant improvements: \$29.7M
- ~ Restoration of the existing Statehouse: \$65.7M
- ~ Project-related costs and contingencies: \$21.2M
- ~ Connection costs and revised design: \$2.7M

FY 2006 Distribution of Liquor Dispensary Earnings

Total = \$33,459,463



2006 Liquor Revenue Distribution Formula

Two percent (2%) sales surcharge distributed to Drug & Family Court Services Fund (\$2,114,500)

Forty percent (40%) of profit distributed as follows:

\$1,800,000 to Cities and Counties
 \$1,200,000 to Alcoholism Treatment Fund
 \$1,200,000 to Public School Income Fund
 \$300,000 to Community College Account
 \$650,000 to Cooperative Welfare Fund
 Remaining Balance to General Fund

Sixty percent (60%) of profit distributed as follows:

60% to Cities (90% to cities with liquor stores, in proportion to sales;
 10% to cities without liquor stores, in proportion to population)
 40% to Counties, in proportion to sales

SB 1388, 2006 Legislative Session

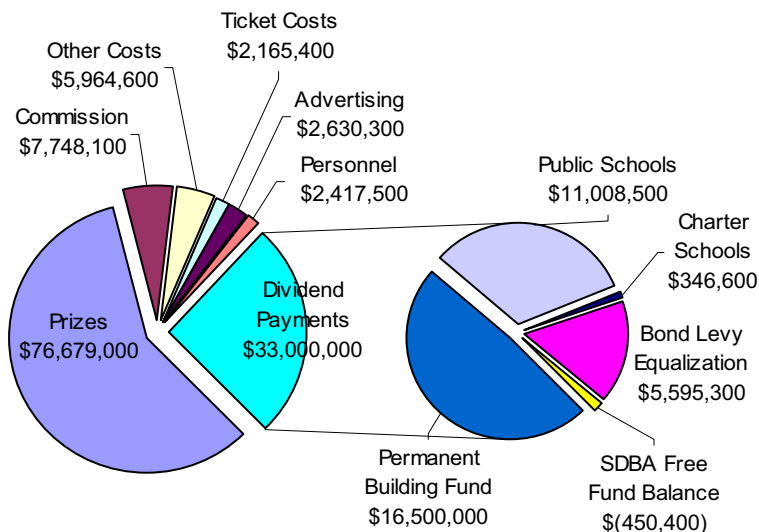
Modified liquor revenue distribution formula to provide cities and counties with additional annual distributions of \$1.8 million for fiscal year 2006-2009 to repay the \$7.2 million appropriation to the Water Resource Board Revolving Fund in FY 2005 and adjusted the 40/60 split between state and local governments to move incrementally to a 50/50 split by 2014.

HB 180, 2007 Legislative Session

Modified liquor revenue distribution formula to provide \$2,000,000 in increased funding for substance abuse treatment and drug and mental health courts.

Where the Lottery Revenues went in FY 2006

Total = \$130,604,800



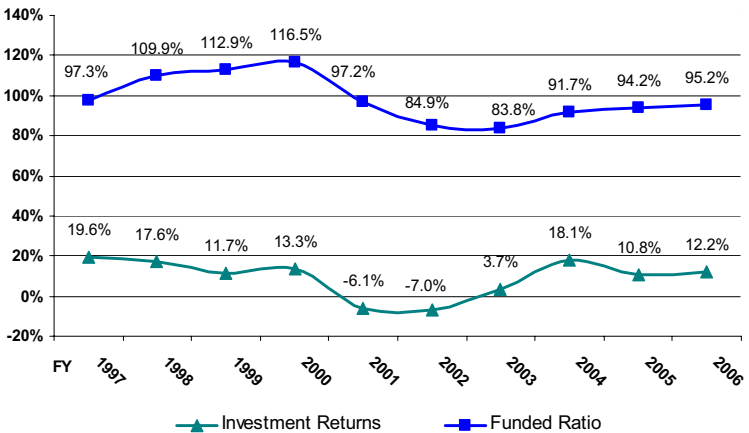
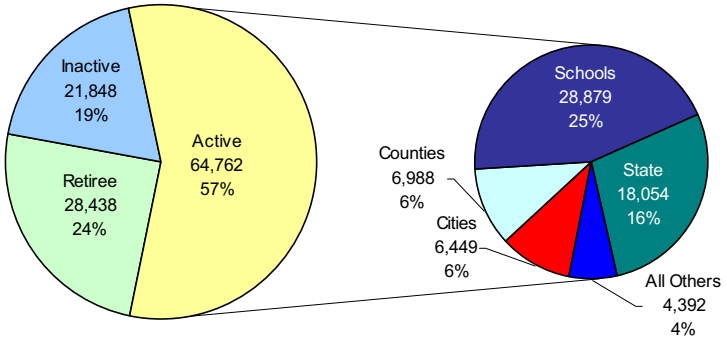
State lottery revenues are derived from the sale of lottery tickets and deposited into the State Lottery Fund. The fund is used to pay agency administrative costs including personnel, operating, and capital outlay. Other expenditures authorized from the State Lottery Fund, and appropriated on a continuous basis, include expenses for prizes, retail commissions, and advertising and promotion costs.

Per Idaho Code section 67-7434, a lottery dividend must be paid annually from net income of lottery ticket sales. One-half of the dividend is paid to the state Permanent Building Fund and the other half of the dividend is paid to the School District Building Account. In FY 2006, the total dividend was \$33,000,000.

The State Board of Education spent the majority of the FY 2006 lottery dividend on maintaining, furnishing, and/or purchasing sites for public school buildings across the state. Charter schools received \$346,600 for maintenance or construction costs. The Bond Levy Equalization Fund received \$5,595,300 and the State Board had a negative balance of \$450,400 in the School District Building Account.

Public Employee Retirement System of Idaho

692 employer units belong to PERSI, for a total FY 2006 system membership of 115,048



The PERSI Base Plan experienced a 12.2% gross return on investments in FY 2006, which equals nearly \$970 million in net investment gain. As of July 1, 2006, the PERSI Base Plan fund was valued at \$9.2 billion, up from \$8.2 billion the prior year. PERSI's unfunded actuarial liability at 9.8 years is less than the 25-year amortization period required by law. In November 2002, the PERSI board approved a total contribution rate increase (including employee and employer rates) of 3% to be phased-in over three years, beginning in FY05. The second rate increase scheduled for FY 2006 has been postponed for three years. If the remaining two increases are phased-in, contribution rates will be at the same level they were prior to November 1997 when rates were originally reduced 3%.

Idaho Millennium Fund

\$ Millions

Fiscal Year	Traditional Millennium Fund			Permanent Endowment Fund		
	Receipts	Transfer to Approp.	Ending Market Value	Receipts	Transfer to Approp.	Ending Market Value
2000	\$ 29.7	(\$.4)	\$ 29.8			
2001	\$ 22.8	(\$1.7)	\$ 48.8			
2002	\$ 26.6	(\$2.4)	\$ 49.3			
2003	\$ 26.7	(\$4.9)				
2004	\$ 22.8		\$ 22.8			
2005	\$ 23.2	(\$1.9)	\$ 44.6			
2006	\$ 21.3	(\$.3)	\$ 67.7			
2007	\$ 4.4	(\$1.4)	\$ 64.4	\$ 17.6		\$ 28.1
2008	\$ 6.3	(\$2.5)	\$ 71.4	\$ 25.3		\$ 56.1
2015	\$ 6.7	(\$5.0)	\$ 111.9	\$ 26.8	(\$9.6)	\$ 303.1
2020	\$ 6.4	(\$5.2)	\$ 111.6	\$ 25.7	(\$20.7)	\$ 550.7
2025	\$ 6.8	(\$5.2)	\$ 112.0	\$ 27.1	(\$33.7)	\$ 842.8

- ◆ The 2000 Legislature established the Idaho Millennium Fund as an endowment fund structure to receive, invest and disburse funds received by the state as a result of the Master Settlement Agreement reached with tobacco companies. The long-term capital value of the funds is preserved through a 5% annual distribution rule. Fund investments are managed by the State Treasurer.
- ◆ There is **NO** statutory restriction on how the money in the fund may be used. Idaho Code §67-1802 provides that "the uses of this fund shall be determined by legislative appropriation."

Constitutional Amendment and Legislation

- ◆ In November 2006, voters approved a constitutional amendment to establish the Idaho Millennium Permanent Endowment Fund.
- ◆ The constitutional amendment mandates that, beginning in 2007, 80% of tobacco settlement payments be placed into an endowment fund and that the remaining 20% be placed into the already existing Idaho Millennium Fund. Annual distributions from both of these funds will be made to the Idaho Millennium Income Fund. The legislature will have the authority to spend funds in both the Idaho Millennium Fund and the Idaho Millennium Income Fund.
- ◆ The legislation also establishes a cap of \$100 million on the Idaho Millennium Fund. Once the cap is reached, excess distributions will be transferred to the Idaho Millennium Permanent Endowment Fund.